

## **REMARKS FOR CHARGE D' AFFAIRES, A.I. GEETA PASI AMERICAN CUP GOLF AWARDS DINNER**

**Dhaka, February 8** - Good evening. Thank you for inviting me as your guest for tonight's American Cup Golf Awards Dinner. I am happy to see so many of my friends from the local and international business communities here tonight. As many of you know, I'm more of a tennis player than a golfer--but Steve tells me that being born in Scotland qualifies me to attend a golf tournament awards ceremony.

I want to congratulate Chevron and the other sponsors of this event for their success in carrying on the tradition of the American Cup Golf Tournament. I want to take a few minutes of your time this evening to talk about the role of the private sector as Bangladesh looks to the future. I know this is not the usual subject matter for "19<sup>th</sup> hole" discussions, but I thought it would be in keeping with the spirit behind the American Cup tournament.

I usually talk about official U.S. government activities in Bangladesh, and I take great pride in speaking about many programs which we support, including the ongoing efforts to respond to the devastation of Cyclone Sidr in November and December of last year. I am sure that by now you have all heard me give my message: We were here before the cyclone, we were here during the initial emergency relief, and we are still here to assist with the recovery and reconstruction.

Tonight, however, I wanted to focus on the role that the private sector plays in Bangladesh's development. We all know that sustainable economic development in Bangladesh requires the contribution of many actors. Efforts cannot be limited to just donors and the NGO community. In many ways, the private sector, both international and domestic, plays the most critical role in development. The impact of your contributions is felt throughout the communities in which you invest. I know that this is the case with Chevron and many other U.S. companies whose commitment to their communities has been widely recognized.

While these activities have often been lumped under the heading of Corporate Social Responsibility (CSR), I prefer a term that the Economist used in a 14 page special supplement on this issue in its January 19<sup>th</sup> edition—namely, Corporate Citizenship. Whichever term you prefer, corporate citizenship is now an increasingly crucial dimension of global business, especially for those companies working in the developing world. Simply put, it is not a question of if, but how.

As the Economist noted, corporate citizenship is often broken down into three basic categories: Corporate philanthropy (of which this tournament is an excellent example), Risk Management, and Value Creation. As Harvard's website on Corporate Social Responsibility Initiative states, "Corporate social responsibility encompasses not only what companies do with their profits, but also how they make them."

Corporate philanthropy, through charitable organizations or directly to communities, helps support vital activities and fills the gap where government resources are not available. There are many examples here in Bangladesh of effective corporate philanthropy. Successful projects often provide skills development as well as education to allow the community to become self sufficient, no longer reliant on donor aid.

Corporate philanthropy can also include the contributions of individuals who are encouraged to give something back to the community by their companies. I know that many of you, both Bangladeshi and foreigners, have a deeply felt social commitment to this country and its people. You demonstrate this commitment when you choose to invest in the country. You show it by your commitment to living and working here. Your corporate philanthropy enables your business to reach further out into the community. I applaud these efforts.

Another important component of corporate citizenship is risk management. This is vitally important in today's globalized world. As the Economist noted, "embarrassing news anywhere in the world can be captured on camera and published everywhere in an instant." We can all recall examples of clothing manufacturers whose reputations were harmed because of illegal activities in sweat shops, or other companies who suffered from bad publicity caused by environmental disasters. Part of Corporate Citizenship is simply being conscious of the effects of your business practices on others. Codes of conduct in many industries have their foundation in this realization.

However, the most exciting component of corporate citizenship is the proposition that it can help create value. This is often summarized as "Doing well by doing good." My challenge to all of you is to focus on this dimension, and determine how you can be better corporate citizens while at the same time maximizing profits and return on investment. In sum, I appeal to your "enlightened self interest." I know that in Bangladesh, the rewards could be staggering: greater human resources for investors to recruit, an improved economic base for investment, an enhanced public image of the private sector.

In closing, I acknowledge the important role that governments also must play in creating an environment that will allow your businesses to invest with confidence and reap the fruits of your labors. Government's must develop and implement appropriate policies and create incentives and rewards for those who are good corporate citizens. My government is conscious of the role that we must play in this regard, and you can count on our continued support. You can also be assured that this will be a topic of conversation between the United States and Bangladesh as we work together to enhance the prosperity of both of our countries and create a better future for our citizens.

Thank you for inviting me to speak to you tonight.